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Belgium is to get \$25,000,000 worth of locomotives from the leading firm of builders in the United States, and it is to have ten years' leeway before she pays the first installment of the debt due. When other and many American manufacturers take a similar position, not only will the reconstruction of Europe by American aid take on a superlatively practical form, but then, and not until then, will begin that change of the balance of trade against Europe which is now preventing re-establishment of normal fiscal relations in the world at large.

Credit General March with the statement to a congressional committee that the War Department is opposed to the use of poisoned gas in war, and that chemical warfare should be abolished. At the same time he believes that the American Army must keep informed as to the technique of this form of life-taking, especially if there is to be no international agreement as to its abolition.

## ECONOMIC INTERNATIONALISM AND PEACE\*

By Professor J. Russell Smith, University of Pennsylvania

**I**F THINGS keep happening that provoke the war spirit and people are made to think war, its terrible teeth will again crunch us, despite any League of Nations formed at this time. The spirit of men during the next twenty-five years will decide the fate of any League of Nations. The League must remove some of the causes of war. Unfortunately it cannot remove them all.

The causes of war may be condensed to three:

1. Property—the desire of actual material possessions—lands, colonies, concessions, markets, trade.
2. Preferment—the love of dominion—the sense of greatness and power, the thing which makes men strive for honors and place, the thing to which the writer of the allegory of the Garden of Eden referred when he had Jehovah give to Adam and Eve *dominion* over everything in the Garden as well as *possession* of all the property.
3. Group Consciousness—the desire for our own particularism and the desire to keep it and spread it, because man is generally sure that his things are best. The Americans wish to continue to be Americans; the English, the French, the Germans, the Japanese, the Hottentots, and all other peoples share this same feeling with regard to their culture (kultur). Moreover, each of them thinks other peoples should accept its viewpoint, institutions, and customs.

We must not for a moment forget that these war forces are parts of permanent and enduring human nature, like the instinct to eat and to possess individual property. The question is, Can society be organized in such a way that these rational appetites can function normally in the world society as the personal appetites for food and property function normally in an ordered community, while they are so destructive in an unordered community? It seems plain that we must remove some of the provoking conditions. Otherwise, these appetites,

repressed too much, will again take maddened humanity on the spree that has been its misfortune in so many past times.

How can we reduce these temptations to war? This article deals with the economic causes of war, group 1, above mentioned. How do these causes present themselves as specific problems? They may be classified as follows:

- A. Interference with the trade of other nations through transit restrictions.
- B. The exclusion of people who wish to emigrate.
- C. Concessions for foreign investment.
- D. Interference with trade by tariffs.
- E. Most-favored-nation clauses.

The principle of self-determination of peoples and the admission of respectable peoples into the family of nations carries with it the right of access to the public road, just as any citizen anywhere in the United States has right of way, after reasonable payment, over any other man's land to the public road. Thus, any inland nationality has the right of untaxed access to the public road of the world, the sea, the highway of the nations.

This is simple. A League of Nations should in its inception be able to remove this cause. There is no good reason why the Dutch should impede, by tax or any other restriction, the free access of ships to the great Belgian port of Antwerp because, by one of the accidents of an age of brigandage which we hope is passing, a little corner of Holland reaches across the river Scheldt, the outlet of Antwerp. The nation that wishes to tax the trade of any other nation whose trade must pass that way is suffering the temptation of the highwayman, and should have no more right to that kind of revenue than the highwayman has to his revenue.

The trouble in connection with this matter of trade is that it has been tangled up with its abuses, namely, transit dues or their possibility and the preparation for war. A peaceful Germany has no more to fear from the transit of her trade through Holland and Belgium than we have to fear in the transit of our millions of dollars' worth of trade every summer down the St. Lawrence.

This is almost like driving people out of a region. It is the greatest menace, the fundamental land question, the temptation to war which we can only hope to mitigate. We cannot hope to end it. Land hunger is the greatest of all causes of war, and it will continue as long as some peoples have much more land per person than others. In June, 1914, Isaiah Bowman, Professor of Geography in Yale, pointed out to a class studying the geography of Europe that the population on the French side of the Franco-German boundary was small and stationary; that the population on the German side of it was large and growing, and, "as sure as you live, there will be war across that boundary some day from the sheer breaking of the human dam on the populous side of the line." Dr. Bowman was not speaking as a student of politics. He was speaking as a student of geography and of human nature, and he was speaking of a temptation to war which the League of Nations makes no pretense at removing. Instead, the League of Nations, in the very essence of its task, hopes rather to fasten this temptation continually upon us. Every nation is to have its home, the chance to develop its own dear particu-

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larism. There shall be China for the Chinese, Poland for the Poles, England for the English, Armenia for the Armenians, Japan for the Japanese, Australia for Australians, America for the Americans. Herein lies the dynamite. The best we can hope to do is to keep fire away from it. It is dynamite, and it will be dynamite for indefinite generations, as long, indeed, as one people has much greater opportunity per man in its territory than a neighboring people has. At the present time any people in the world has become a "neighboring people."

Many economists say that the real, deep, underlying cause of the recent great war was the struggle for concessions, for the privilege of foreign investment. They say that England and Germany had developed their own home resources quite fully, that they had surplus capital, and they were ready for more fields to develop, provided higher interest rates could be secured, and that here was the real cause of the rivalry that finally produced the explosion.

The well-known rivalry of the powers, particularly England and Germany, for the privilege of developing railroads, mines, irrigation works, and other enterprises between Constantinople, Bagdad, and the Persian Gulf is a very well-known sore point in history, and is a good example pointing to the force of the factor as a war-maker. It is a kind of corollary to the land hunger idea—really a modernized form of it. Through the stocks of a corporation we bring the profits of the foreign land home to ourselves. Thus we may own it as property (economically) without the necessity of owning it as a government (politically), although the concession process is a common way of colony-making. The concession for foreign investment is one of the things which the League of Nations must control if it expects to endure.

The mandatory idea in the League of Nations has great possibilities here. Under the mandatory idea, Australia, acting as the agent of the League of Nations, may govern what has been German New Guinea, leaving its trade, commerce, and investment opportunities equally open to all the peoples of the world. The idea needs to be carried further. The League of Nations should control and protect international investments. If the citizens of England felt that they had a grievance against a dictator in Haiti, who, after having won a successful civil war, proceeded to demand forced loans from the railway company above mentioned, as they have a habit of doing, the old system was for the British (French, German, etc.), wherever they could do it, to send in their warships, bombard, blockade, or take other such steps as were necessary to bring what they, the intervening government, thought was a fair settlement. By this means have all empires grown, because governments found themselves at the end of such interventions with their hands on land which they have not yet seen fit to let go.

It would be much better if the League of Nations' Court of Claims should hear the case with a speed resembling a police court, pass its opinion, and have it enforced by the League of Nations, either directly or through a mandatory. Nothing need be done more than boycott the offending country by all the countries of the world. No military power whatever would be necessary. Not a shot need be fired, but the Haitian dictator would of necessity mete out fair treatment to the foreign con-

cessionnaires, and, what is of equal importance, the foreign concessionnaires would also treat the Haitians fairly.

Such a policy on the part of the League of Nations would almost certainly mean that the League must prescribe conditions governing concessions between the people of one country and those of another. Concessions would doubtless be examined by the League just as the Chinese concessions of 1913 and 1918 were examined by the American State Department, and approval given or withheld. If the approval was not given, the support of the League could not be had, and the dictators of Haiti would in all probability feel themselves free to make exactions, so that in a short time we might expect all international concessions to be registered with the League of Nations before any one would be willing to risk money back of such an investment.

Free trade or war! That is a choice that faces the world sooner or later. We must, of course, go on as we are for a time, and changes must be made gradually, by evolution rather than revolution. If we insist in keeping out the persons of those who wish to emigrate, the avalanche *may* break, despite any alternative that one people can offer to another. If we insist on keeping out their goods as well as their persons, it is safe to say that the avalanche *will* break and again pour war over the world—a worse war ten times over than the last one. It is quite possible that a future war may take the form of the extermination of peoples by the gassing out of millions—clearing the land ready for the conquerors—Armenian massacres done more scientifically.

With land hunger permanently clamped upon us, we cannot expect fifteen or twenty strong, energetic, and growing peoples to stay permanently at peace if such episodes as the following continually occur to raise friction and make people wish to own a neighboring country so that they may trade with it. For ten years the United States freely imported Canadian produce, then suddenly enacted a tariff that almost prohibited it. Mills closed, people lost their jobs, villages and towns declined. How did Canada feel? She felt sore, as did Germany when our McKinley tariff shut off her exports to this country. The Germans, of course, knew that if they had owned the United States their prosperity would not have been disturbed. Nations cannot keep on making each other think such thoughts and also keep the peace.

If we cannot win international free trade at a reasonably early date, we should give up the League of Nations idea and prepare for the continuation of wars in the future as one of the plagues of the earth, as past generations have looked forward to them.

In conclusion, it may be pointed out that an effective League of Nations offers three ways of greatly increasing the trade and wealth of the world:

First, by controlling and insuring international investments so that they may increase and become the basis of industry rather than the basis of dispute or parts of great military schemes.

Second, by the reduction of armaments and military service, men will be left free for education and industry.

Third, by removing the fear of war and the necessity of private industrial preparation for it, a successful League opens the way for the gradual adoption of free trade, which is alike a promoter of peace and a promoter of wealth.